REMARKS

Status of Claims:

Claims 1-30 are present for examination.

Obviousness Rejection:

Claims 1-30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Eder (U.S. Patent Number 5,615,109).

With respect to claims 1-30, the rejection is respectfully traversed.

Independent claim 1, as amended, recites a system for deciding a bid item for which a bid is made, comprising:

> "a data memory for storing a logical formula representing a relationship among a plurality of bid items, a value table containing a value of each of the bid items, price information of each of the bid items in at least one market, a total purchasing fund, and a bidding strategy;
>
> a profit computation section for computing a profit obtainable when at least one bid item selected from the plurality of bid items is purchased, based on the value and the price information of the at least one bid item; and
>
> a strategy computation section for determining at least one <u>bid item</u> for which a bid should be made and a gross profit obtainable from the determined at least one bid item, wherein the strategy computation section selects a candidate combination including one of 1) no bid items, 2) one bid item, and 3) two or more bid items from the plurality of bid items <u>based on the logical formula and price information of two or more of the plurality of bid items</u>, and instructs the profit computation section to compute a profit obtainable from the selected candidate combination, <u>said two or more of the plurality of bid items being separate and distinct from one another and not different quantities of the same item</u>." (Emphasis Added)

A system for deciding a bid item for which a bid is made including the above-quoted features has the advantage that a strategy computation section selects a candidate combination of <u>bid items</u> based on a logical formula and price information of combinations of <u>two or more</u> of a plurality of bid items. Also, the two or more of the plurality of bid items are <u>separate</u> and <u>distinct</u> from one another and are <u>not</u> <u>different quantities</u> of the <u>same</u> item. Such a system

addresses the problem in the prior art where conventional bidding systems focused on automatic bidding for a <u>single</u> commodity and could not compute the profits obtainable from bidding for <u>plural</u> <u>commodity</u> items. (Specification; abstract; page 3, line 20 to page 4, line 20; page 8, lines 5-16; page 49, lines 7-16).

Eder neither discloses nor suggests a system for deciding a bid item for which a bid is made including the above-quoted features. In Eder, preliminary requisitions are calculated for **<u>one</u>** type of item at a time **<u>without</u>** considering the prices of combinations of <u>other</u> types of items. (Eder; column 59, line 18 to column 73, line 8). As shown in FIG. 5A of Eder, the system of Eder checks if all items have current requisitions 317 and if they do not, then a <u>next item</u> is retrieved 318. (Eder; column 60, lines 19-28). Then, in the system of Eder, target inventory levels are determined for the **<u>single type</u>** of item 320, an economic order quantity for <u>the item</u> is calculated 322, the order quantity for <u>the item</u> is adjusted 321, and the preliminary requisitions for <u>the item</u> are created 319. (Eder; column 60, line 29 to column 64, line 11).

After calculating preliminary requisitions, the system of Eder calculates base-level requisitions. (Eder; column 64, lines 16-21). The base-level requisitions are also calculated for **<u>one</u>** type of item at a time **<u>without</u>** considering the prices of combinations of <u>other</u> types of items. (Eder; column 64, line 16 to column 70, line 24). The calculation of base-level requisitions starts in block 600 of FIG. 5B of Eder. (Eder; column 64, lines 45-49). Each item is then determined to be in one of four categories, so the processing eventually ends up in one of the four blocks 602, 618, 634, or 642. (Eder; column 64, lines 50-67). The blocks 602, 618, 634, and 642 are all labeled "Retrieve next item quantity discount item". (Eder; FIG. 5B, references 602, 618; FIG. 5C, references 634, 642). Thus, in all of the four possible categories, the processing for base-level requisitions proceeds by retrieving a "next <u>item</u>", and the base-level requisitions for a **<u>single</u>** item type are determined **<u>without</u>** reference to other item types. (Eder; FIG. 5B, references 606-617, 618-623; FIG. 5C, references 635-640, 642-647).

Eder further calculates base-level requisitions for <u>business volume discount</u> items. (Eder; column 70, line 29 to column 73, line 8). As defined in Eder, business volume

discounts are ways for vendors to reward customers with discounts based on their total level of business during some time period, usually a year, rather than basing discounts solely on the basis of quantities from a single order as they had done in the past. (Eder; column 1, line 66 to column 2, line 7). Thus, the equation for determining base-level requisitions for business volume discount items specifies quantities to be purchased in terms of a discount time period. (Eder; column 71, lines 7-22; column 97, lines 40-42 and 57-67). A discount time period makes sense for inventory management, as with the system in Eder, but there is no discount time period for aggregating a total level of business to receive a discount when bidding for a bid item. In other words, the bidding party is not going to reduce his bid by including a time/volume discount which would effectively lower his bid price and make his bid less competitive against other bidders. Thus, a program for computing the equation for determining base-level requisitions of business volume discount items as described in Eder does not constitute a strategy computation section for determining at least one bid item for which a bid should be made.

Finally, Eder allows for profit enhancement processing, but as stated in Eder, "[t]he profit enhancement processing closely mirrors the processing that was completed in the calculation of the base level requisitions." (Eder; column 82, lines 33-35). Thus, the same analysis of Eder provided above applies equally to the profit enhancement processing of Eder. (Eder; column 82, line 33 to column 93, line 52).

The Examiner points to Eder (column 62, lines 15-20) as showing a table representing a relationship between a plurality of items and the unit price and states that, "the relationship between items in the range of 0-499 is a logical AND because the system determines that purchasing 1 AND 2 AND …499 items will have the same unit price for each item, the relationship between items 0-499 and 500-999 is a logical OR because the system determines that purchasing , e.g. 499 items OR 500 items, the unit price of each item if purchasing 499 items is different than purchasing 500 items."

However, in the examples provided by the Examiner, the items being purchased according to a logical formula are simply different quantities of the same item. Claim 1 has

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been amended to make it clear that the two or more of the plurality of bid items are separate and distinct from one another and **not different quantities** of the **same item**.

Therefore, independent claim 1, as amended, is neither disclosed nor suggested by the cited prior art and, hence, is believed to be allowable.

Independent claim 7 recites an automated bidding system similar to the system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 8 recites a bid supporting system similar to the system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 13 recites a method for deciding a bid item for which a bid is made similar to an operation of the system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 19 recites an automatic bidding method similar to an operation of the system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 20 recites a bid supporting method similar to an operation of the system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 25 recites a computer-readable recording medium storing a computer program for deciding a bid item for which a bid is made where the computer program performs steps similar to an operation of the system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 26 recites a computer-readable recording medium storing a computer program for automatic bidding where the computer program performs steps similar to an operation of the system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 27 recites a computer-readable recording medium storing a computer program for a bid supporting method similar to an operation of the system for deciding a bid item of independent claim 1 and, thus, is believed to be allowable for at least the same reasons that independent claim 1 is believed to be allowable.

Independent claim 28, as amended recites, in a computer, a method for deciding a bid item for which a bid is made, comprising the steps of:

"a) storing in a memory device a logical formula representing a logical OR of two bid items X and Y, a value table containing values xm and ym of respective ones of the bid items X and Y, present prices x and y of respective ones of the bid items X and Y, a total purchasing fund T, and a constant p1 determined by a bidding strategy;

b) determining by the computer whether $y < ym$ (hereafter, called Condition 1) is satisfied;

c) determining by the computer whether $y < (T + ym - xm)/2$ (hereafter, called Condition 2) is satisfied;

d) determining by the computer whether $y - ym < x - xm$ (hereafter, called Condition 3) is satisfied;

e) determining by the computer whether close of bidding for Y is earlier than that of X (hereafter, called Condition 4);

f) determining by the computer whether $x + y > T$ (hereafter, called Condition 5) is satisfied;

g) determining by the computer whether $y > p1*x - p1*xm + ym$ (hereafter, called Condition 6) is satisfied;

h) determining by the computer that the bid item Y should not be purchased in one of cases where the Condition 1 is not satisfied, where the Condition 1 is satisfied, the Conditions 2 and 3 are not satisfied, and the

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Conditions 4 and 6 are satisfied, and where the Condition 1 is satisfied, the Conditions 2-5 are not satisfied, and the Condition 6 is satisfied; and

i) determining by the computer that the bid item Y should be purchased in one of cases where the Conditions 1 and 2 are satisfied, where the Condition 1 is satisfied, the Condition 2 is not satisfied, and the Condition 3 is satisfied, where the Condition 1 is satisfied, the Conditions 2 and 3 are not satisfied, the Condition 4 is satisfied, and the Condition 6 is not satisfied, and where the Condition 1 is satisfied and the Conditions 2-6 are not satisfied."

A method including the above-quoted features has the advantage that if the <u>close of bidding</u> for an item Y is <u>earlier</u> than that of an item X, a <u>bidding decision</u> for item Y can be <u>based on</u> the equation $y > p1*x - p1*xm + ym$, where x and y are present prices of items X and Y respectively, xm and ym are values of items X and Y respectively, and p1 is a constant determined by a bidding strategy. The equation is derived according to a strategy characterized by assuming that the ratio p1 between the profit which can be secured by bidding for the item Y and the profit which can be secured by bidding for the item X can be obtained by the equation: $(ym - y) / (xm - x) = p1$. By solving for y, the equation for the <u>bidding decision</u> is obtained. Such an equation for making a bidding decision allows for <u>strategic bidding</u> when the close of bidding for item Y is <u>earlier</u> than that of item X, so that an expected <u>profit</u> can be <u>prevented from decreasing substantially.</u> (Specification; page 35, line 25 to page 36, line 13).

Eder neither discloses nor suggests a method including the above-quoted features. The Examiner states that "Eder does not disclose determining whether close of bidding for Y is earlier than that of X." Thus, Eder <u>never</u> has a reason to determine a <u>bidding strategy</u> for a case in which the close of bidding for an item Y is earlier than an item X. The method including the above-quoted features addresses the problem of how to know when to bid on an item Y <u>before</u> a final price for an item X is known. Such a problem <u>never</u> even arises in Eder and, thus, Eder never addresses such a problem.

The Examiner points to Eder (columns 65-72) as disclosing a method including determining by a computer whether $y > p1*x - p1*xm + ym$ is satisfied. However, Eder <u>never</u> even considers such an equation for a bidding strategy because Eder never even encounters a problem where the above equation would be required. <u>Bidding</u> for two different

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items is _different_ than _purchasing_ two different items because in the case of bidding, one item may have to be purchased **before** the price of the other item is known. Thus, for bidding there is a need for equations to determine **bidding strategies**. Such strategies are _not_ required for simply _purchasing_ items where the purchases prices for _both_ items are **known in advance**. Moreover, applicant is not broadly claiming a bidding strategy, but rather is claiming a specific bidding strategy as recited in claim 28, and such specific steps are clearly not disclosed or made obvious by Eder.

Thus, independent claim 28 is neither disclosed nor suggested by the cited prior art and, hence, is believed to be allowable. The PTO has simply not made out a prima facie case of obviousness under the provisions of 35 U.S.C. 103.

Independent claim 29 recites a method for deciding a bid item for which a bid is made that employs a bidding strategy similar to how the method of claim 28 employs a bidding strategy. As stated above with respect to independent claim 28, Eder never discloses an equation for a bidding strategy. Thus, independent claim 29 is neither disclosed nor suggested by the cited prior art and, hence, is believed to be allowable.

The dependent claims are deemed allowable for at least the same reasons indicated above with regard to the independent claims from which they depend.

Conclusion:

Applicant believes that the present application is now in condition for allowance. Favorable reconsideration of the application as amended is respectfully requested.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 19-0741. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to

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Deposit Account No. 19-0741. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 19-0741.

Respectfully submitted,

Date ___March 18, 2005___   By ___*(signature)*___

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